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SUBJECT: CODEL PELOSI DISCUSSES TWO-STATE SOLUTION, SYRIA, AND IRAN  
WITH FM LIVNI

¶1. (SBU) SUMMARY FM Livni met with CODEL Pelosi and emphasized that Israel and the U.S. share challenges and values. Speaker Pelosi and the Representatives reaffirmed their commitment to an Israel at peace with its neighbors. Livni stressed that the missing soldiers and the trafficking of arms to Hezbollah are the most pressing issues for Israel regarding Syria and Lebanon. She maintained there is no possible way to negotiate an end to the Palestinian-Israeli conflict at this time and there will never be room for the right of return in an acceptable two-state solution. The delegation and Livni agreed that a nuclear Iran would destabilize the entire region and that military force to prevent this must remain an option. End Summary.

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Missing Soldiers Top Priority for GOI and Delegation  
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¶2. (SBU) Representatives Hobson (R-OH) and Slaughter (D-NY) asked what message they should relay to Lebanon, Syria, and Saudi Arabia. Rep. Slaughter expressed her optimism at a potential breakthrough with Syria. In response, Livni highlighted two major problems: the abducted soldiers and the trafficking of arms from Syria to Hezbollah. It is vital that the international community demand the release of the captive soldiers. The delegation affirmed the commitment to conveying this priority on their future stops and later reiterated this directly to the families of the missing soldiers. Livni added that the flow of weapons from Syria to Hezbollah is against not only Israel's, but also Lebanon's, interests. Livni cautioned that Syria already "knows what it has to do to gain legitimacy." She claimed that Asad often misinterprets messages to suit his purposes and considers high-level visits a sign of approval.

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No End to Conflict in Sight  
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¶3. (SBU) Representative Rahall (D-WV) noted that UNIFIL forces have been effective in southern Lebanon. Could this serve as a model for the Golan Heights or Gaza? Livni clarified that Hezbollah is still a threat, even from its new position north of the Litani River and UNIFIL's area of operation. Israel accepted the deployment of a more robust UNIFIL force in order to support the Siniora government and military, not as a means to defend Israel. Israel "gave the keys to a responsible adult." Israel cannot do the same with the Occupied Territories until the outstanding issues of demilitarization, safe passages, infrastructure, and other Palestinian needs are decided.

¶4. (SBU) Livni said the real question is "Is there a possibility to

end the conflict now?" She said she believes that even if all the Palestinians' demands were met, Abbas could not guarantee the conflict would be over. Furthermore, any dialogue with non-Hamas members of the national unity government (NUG) legitimizes the entire government, in her view. As such, there is too much risk in "choosing the wrong channel to end the conflict." While Israel has no desire to continue "the image of the Israeli soldier and the Palestinian child," any final status agreement would have to follow the roadmap and would require compromise from both sides. Livni "cannot see today's Abu Mazen making these concessions." Israel will engage Abbas on "the nature of a future Palestinians state" in order to keep the door open to dialogue on practical matters (passages, demilitarization, water, electricity), but Livni said she feared that building up expectations for final status talks would only lead to disappointment and renewal of violence. Nonetheless, Livni stressed that Israel does not want stagnation or to control Palestinian life.

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Right of Return Incompatible with Two-State Solution  
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¶15. (SBU) Livni further asserted that the solution will be built on the concept of two states, two homelands. When Palestinian leaders speak of two states while simultaneously demanding the right of return for Palestinian refugees (to Israel), they are speaking "against the heart of a two-state solution." She maintained that Palestinian leaders understand Israel will not negotiate on this matter, but publicly say otherwise. Livni fears the refugees' growing frustration, encouraged by their leaders, will incite more violence.

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Iran Threatens Entire Region  
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¶16. (SBU) Representative Waxman (D-CA) inquired if the threat of a nuclear Iran will result in moderate Arab states moving closer to accepting Israel as a partner. He added that he is "not encouraged" by Saudi Arabia's role in the Arab League. Livni believes that the Gulf States do comprehend the threat of a nuclear Iran, and is heartened by the international determination in opposing Iran's nuclear program. She cautioned that appeasement would result in a domino effect throughout the region. Speaker Pelosi later voiced the underlying concern: To whom would Iran give a nuclear weapon? Livni was hopeful that regional actors will view Iran, not Israel, as the threat. While Livni firmly supported the primary use of diplomacy and sanctions, she emphasized that the willingness to keep the threat of use of force is key to preventing a nuclear Iran.

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Improving Regional Relationships  
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¶17. (SBU) Livni suggested that Arab states could assist the peace process by normalizing relations with Israel before the end of the conflict, rather than waiting for a peace agreement. If the Arab states could support Israel's positive steps, this would be "win-win" for all parties involved.

¶18. (SBU) Representative Lantos (D-CA) encouraged Livni to view the recent Congressional votes on withdrawal of U.S. forces from Iraq as positive for the future of Israel.

¶19. (U) CODEL Pelosi cleared this message on April 27.